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Few will concede need for counterintelligence

By Bill Gertz
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Lack of government cooperation in countering spies and preventing serious breaches in internal security remains one of the most divisive issues facing the administration today, according to current and former U.S. intelligence officials.

"In counterintelligence, the administration is totally and completely fragmented," one official said. "That's because in any bureaucracy, counterintelligence looks at failures, and nobody wants that."

Several intelligence officials, speaking on condition of anonymity, agreed that cooperation among U.S. diplomatic and intelligence agencies on sharing "positive intelligence" — satellite photos, agent information and analyses — has been one of the major strengths of the administration.

But counterintelligence failures in the past 10 years have occurred in every agency of government charged with protecting U.S. secrets, they said.

Security breakdowns have plagued the U.S. government since the 1970s, when wholesale reductions were made in the capacity of American intelligence agencies to ferret out spies, according to the officials.

The problem has been highlighted by the recent Moscow embassy scandal involving two U.S. Marine security guards charged with allowing Soviet agents inside secret sections of the building, including communications, defense and intelligence areas.

At the State Department, many Foreign Service officers believe the "diplomatic culture" leads diplomats to regard security as incompatible with traditional diplomacy, one White House official said.

"But the fact is you can't conduct successful diplomacy without security," the official said. "How can we carry out arms control negotiations if the Soviets are reading our cables and bugging our embassy?"

The official credited the decades of successful diplomacy carried out by former Soviet Ambassador to Washington Anatoly Dobrynin, now a senior Communist Party official, to the tight security maintained by the Soviet Embassy in Washington.

By comparison, Arthur Hartman, former U.S. ambassador to the Soviet Union, assailed by the officials as a major opponent of White House security policies until he left Moscow earlier this year, told one White House aide in 1983: "I don't care if the KGB is listening."

Another example of State Department opposition to NSC counterespionage programs happened during the November expulsion of the 80 Soviet spies, described by U.S. officials

as the most senior Soviet intelligence officers stationed abroad.

Officials said the expelled Soviet agents covered a wide spectrum, including operatives active in disinformation, electronic eavesdropping, military intelligence and theft of high technology.

However, according to one official, the State Department deleted the names of several Soviet spies on the FBI's original expulsion list, and replaced them with others, in order to allow certain agents to remain in the United States as a gesture of good will.

Secretary of State George Shultz told reporters during negotiations in New York with Soviet Foreign Minister Eduard Shevardnadze that some of the spies had been "useful" to the Soviet foreign minister.

Security officials noted that breakdowns were not limited to the State Department. Every U.S. government agency charged with using and protecting national security information suffered a major intelligence failure because of the modest counterspy program over the past 10 years, they said.

Other recent cases include security breaches in the one of the most secret councils of the CIA — the Soviet operations directorate — by Edward Lee Howard, the first agency employee to defect to Moscow.

The John Walker espionage ring that sold secret Navy communications codes to the Soviets for decades has been described as one of the worst security failures in history. A National Security Agency signals intelligence failure, caused by former NSA employee Ronald Pelton, convicted of spying for the Soviets last year, led to the compromise of a secret electronic eavesdropping operation against Moscow in Asia.

According to intelligence officials, few corrective measures have been taken as a result of the spy scandals.

Analyses about how the penetrations occurred and how future cases can be averted are limited to internal agency studies. The officials said bureaucratic divisions prevent any single government agency from taking a comprehensive look at security failures or the damage caused by them.

"There has never been a damage assessment beyond what the bureaucracies call 'the point of failure' [of an espionage leak]," said one White House official. "The failures are not pursued. NSA won't tell CIA what it's doing and the CIA won't tell the FBI what it's doing. The result is that the lowest common denominator is used to assign blame for intelligence failures."

A George Carver, a former CIA official, believes such recent problems as the Moscow embassy case grew out of intergovernment conflicts dating to the early 1970s, when security officials clashed with government officials more concerned about civil liberties than hostile spying.

As a result, he said, CIA counterintelligence was "dismantled" during the late 1970s by officials opposed to tough security and counterespionage programs.

While the Reagan administration has talked tough about pushing counterintelligence reforms, senior policymakers so far have been unable to muster the will and resources needed to restore effective counter-spy functions, he said.

"It's a lot easier to break an egg than to put it back together," Mr. Carver said in a recent interview.

"The dominant culture in the State Department says you basically achieve ends by accommodation," Mr. Carver said. "People outside the Foreign Service clan, like the FBI or the CIA, are regarded as interlopers who have to be repelled."

As for espionage, many at the State Department regard it as "a fact of life," Mr. Carver said.

Other officials go further, asserting that since both sides spy on each other, counterintelligence may be harmful to collection activities.

Defense Secretary Caspar Weinberger rejected this view in a recent speech. "This argument ignores the enormous difference between the nature of each side's intelligence activities, which reflect the fundamental differences that separate our two systems," he said.

"For example, given our democratic government of checks and balances, our intelligence activities could never approach the scale of the 'anything goes' Soviet operation, and properly so," Mr. Weinberger said.

Officials said Reagan administration infighting over counterespionage policy peaked in 1982, when a presidential directive was signed ordering a governmentwide review of counterintelligence programs.

The directive triggered a confrontation between then-National Security Adviser William Clark and Adm. Bobby Ray Inman, deputy CIA director at the time, who opposed the directive so strongly that he resigned rather than carry out the review, officials said.

Adm. Inman later was hired by the State Department to conduct a study which found major deficiencies in U.S. embassy security against terrorist and espionage threats.

John McMahon, Adm. Inman's successor, also clashed with the National Security Council over counterintelligence programs, according to the officials. The officials said Mr. McMahon, who resigned last year, resisted and eventually blocked a White House plan to strengthen CIA capabilities against Soviet spying abroad.